



**Q1
REPORT
2026**

Q1 REPORT 2026

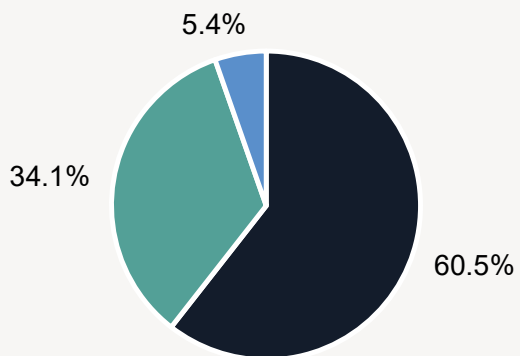
FIRST QUARTER HIGHLIGHTS

- Revenue of USD 22.9 million, an increase of 59.6% in Q1 2026 vs Q1 2025
- Gross margin of 48.2% (47.3%)
- EBITDA of USD 2.7 (1.2) million equivalent to an EBITDA margin of 11.7% (8.4%), 13.7% adjusted for non-recurring cost related to relocation of production
- Operating profit (EBIT) of USD 1.8 (0.6) million, equivalent to an operating margin of 7.9% (4.1%), 9.9% adjusted for non-recurring cost related to relocation of production
- Strong operating cash flow of USD 2.2 (2.6) million
- All time high revenues in Q1, continued strong underlying demand in market
- Continued traction with large account strategy

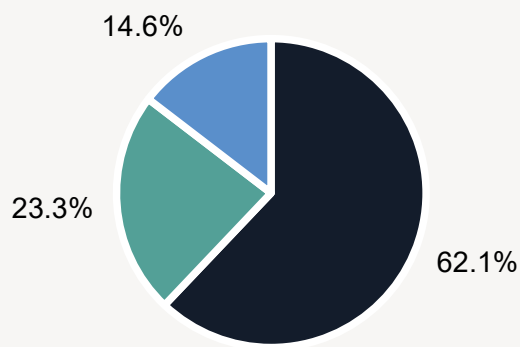
Amounts in USD 1,000	2026 Q1	2025 Q1	Change
	Jan - Mar	Jan - Mar	
Total Revenue	22 913	14 355	59.6%
Gross Profit	11 033	6 786	62.6%
Gross margin %	48.2%	47.3%	0.9 p.p
EBITDA	2 676	1 208	121.6%
EBITDA %	11.7%	8.4%	3.3 p.p
Operating Profit	1 810	591	206.5%
Operating Margin %	7.9%	4.1%	3.8 p.p
Net profit after tax	234	64	264.3%
Basic earnings per share NOK	0.022	0.011	111.7%
Diluted earnings per share NOK	0.022	0.011	111.7%
Basic earnings per share USD	0.002	0.001	264.3%
Diluted earnings per share USD	0.002	0.001	264.3%
Operating cash flow	2 233	2 636	
Full Time Equivalentents (FTEs)	147	129	18

Q1 REPORT 2026 CONTINUED

GEOGRAPHICAL SPLIT Q1 2026

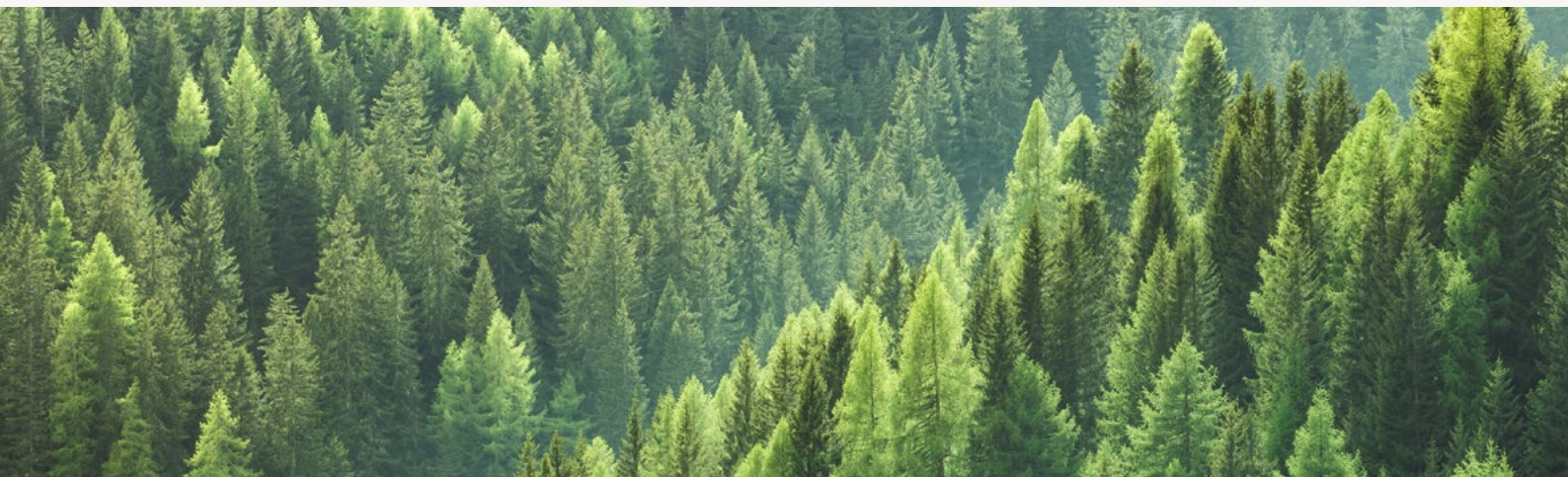
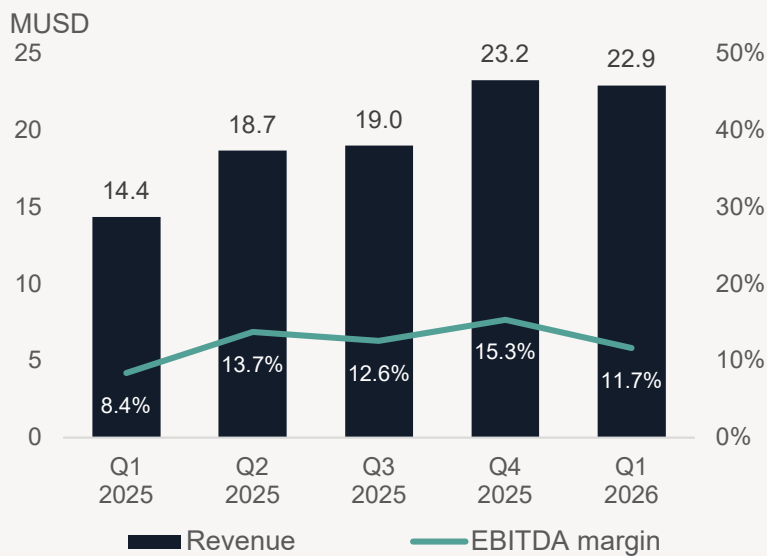


BUSINESS AREA SPLIT Q1 2026



■ Americas ■ EMEA ■ APAC

■ Solutions ■ Devices ■ Software & Services



CEO COMMENTS

Smartoptics entered 2026 with strong momentum, and the first quarter confirmed both the underlying demand in our markets and the strength of our business model. We delivered all-time high first-quarter revenues of USD 22.9 million, up 59.6% from Q1 2025, with strong growth across regions and business areas. The quarter was characterized by very high customer demand throughout the period, further traction in our large-account strategy, and accelerating activity linked to AI-driven network capacity expansion and data center interconnect.

Gross margin improved to 48.2% from 47.3% in Q1 2025, as a result of strong growth in business area Solutions, Software and Services. EBITDA amounted to USD 2.7 million, corresponding to an EBITDA margin of 11.7%. Reported profitability was impacted by USD 0.5 million in non-recurring costs related to the relocation of production; excluding these, the underlying EBITDA margin would have been 13.7%. EBITDA grew more than revenue, demonstrating the leverage in the business.

A clear highlight of the quarter was the continued progress in our large-account strategy. We secured additional orders from major customers in both the Americas and EMEA, including regional operators, neo-scalers focused on AI workloads, and government customers expanding their network capacity. AI is now a tangible growth driver in our business: hyperscale and cloud customers are investing aggressively to support training and inference workloads, and traditional operators are scaling up metro and regional networks to handle the resulting traffic growth. In Q1 the growth was driven by parallel forces: AI-driven capacity expansion among hyperscale and cloud customers, ongoing modernization of metro and regional networks, and increasing demand for open architectures. Smartoptics' open, software-driven and cost-efficient solutions are well-positioned for this next phase of network modernization, and we continue to build our capabilities to address larger and larger accounts. Smartoptics' Q1 growth significantly outpaced the broader optical transport market.

Geographically, the Americas set a new quarterly record of USD 13.9 million, up 78% year-over-year, supported by strong demand from Communication Service Providers and Internet Content Providers. EMEA grew 47% to USD 7.8 million, with improving traction among large accounts and regional operators. APAC remained more project-dependent at USD 1.2 million, in line with the pattern of prior quarters.



Growth was broad-based across business areas. Solutions grew 73% to USD 14.2 million and Software and Services grew 35% to USD 3.4 million. Devices grew 47% to USD 5.3 million. The growth in Solutions, Software and Services reflects the success of our new-generation product portfolio and our growing ability to deliver complete solutions that combine high-performance hardware with software automation and operational efficiency.

Beyond financial performance, we continue to invest in the scalability of our platform. The production relocation completed during the spring of 2026 is an important step to support higher volumes, and investments in software and AI capabilities will continue throughout 2026 in line with our 2026-2030 roadmap. External market estimates have strengthened significantly – the optical transport market is expected to grow from approximately USD 16.5 billion in 2025 to USD 24.7 billion by 2030 – and Smartoptics' open architecture and software focus position us to capture a disproportionate share of this growth. We are continuing to manage a challenging supply chain situation to secure revenue in coming quarters.

Our goals, which will be further clarified during the year, remains unchanged: to grow market share two to three times in relevant segments and deliver an EBIT margin of 13-16 percent, driven by scalability, software leverage and operational efficiency.

CEO COMMENTS CONTINUED

Our priorities for the year are unchanged:

- Continue strengthening our position with large accounts, including major operators and hyperscalers
- Expand selectively in emerging markets
- Leverage software automation and AI to increase efficiency and unlock new revenue streams

Smartoptics enters the remainder of 2026 with strong business momentum, a solid financial foundation and a clear strategic direction. I would like to thank our customers for their continued trust, our partners for their collaboration, and our employees for their dedication and execution.

For further information, please contact:

Magnus Grenfeldt, CEO
Phone: +46 733 668 877
E-mail: magnus.grenfeldt@smartoptics.com

Stefan Karlsson, CFO
Phone: +46 766 344 504
E-mail: stefan.karlsson@smartoptics.com



FINANCIAL REVIEW

Q1 2026

REVENUE

Revenue increased by 59.6% in Q1 2026 to USD 22.9 million compared to USD 14.4 million in Q1 2025, mainly related to strong Solutions sales in the Americas and EMEA.

Revenue in the Americas increased by 77.8% to USD 13.9 (7.8) million. Revenue in EMEA increased by 46.5% to USD 7.8 (5.3) million. In APAC, revenue increased by 0.6% to USD 1.2 (1.2) million.

Revenue split by business area for the quarter was Solutions 62.1% (57.5%), Devices 23.3% (25.3%) and Software & Services 14.6% (17.2%).

GROSS PROFIT

Gross profit in Q1 2026 amounted to USD 11.0 (6.8) million, corresponding to a stable gross margin of 48.2% (47.3%).

OPERATING EXPENSES

Employee benefit expenses amounted to USD 6.7 (4.5) million in Q1 2026, including non-recurring cost of USD 472 thousand related to relocation of the company's production in Oslo to Stockholm. The average number of employees (FTE) increased from 129 to 147 during the same period. The increase was primarily due to new hires, inflation, variable salary and movements in the USD exchange rate.

Other operating expenses amounted to USD 1.7 (1.1) million.

EBITDA AND OPERATING PROFIT

EBITDA amounted to USD 2.7 (1.2) million in Q1 2026, corresponding to an EBITDA margin of 11.7% (8.4%). The improvement compared to last year was driven by higher revenue, slightly improved gross margin, supported by a reduced OPEX share of revenue.

Operating profit amounted to USD 1.8 (0.6) million, representing an operating margin of 7.9% (4.1%).

NET FINANCIAL ITEMS

Foreign exchange gains/-losses are the main components of Net financial items.

The group benefits from a natural hedge, as both revenue and direct cost of sales are largely USD-denominated.

CASH FLOW

Operating cash flow amounted to USD 2.2 (2.6) million in Q1 2026, mainly reflecting the operating profit, and a stable working capital.

Net cash flow for the quarter was USD 0.8 (1.3) million, resulting in a closing cash balance of USD 8.4 million at the end of the period.

BORROWINGS

The Group has two loans from Innovasjon Norge totaling USD 0.2 million. The loans are repaid on a quarterly basis and will be fully repaid by Q3 2026.

In addition, the Group has a credit facility with Nordea amounting to NOK 75 million (USD 7.7 million). As of March 31, 2026, the credit facility with Nordea was not utilized.

CURRENCY

The Group experienced increased foreign exchange volatility during the past year. The impact was mainly reflected in employee benefit expenses.

The Group's market is largely USD-denominated, as both component purchases and product sales are predominantly conducted in USD, while more than half of employee benefit expenses and other operating expenses are incurred in SEK. This currency mix exposes the Group to fluctuations primarily between USD and SEK.

OUTLOOK

For the period 2026-2030, the Group has a target to increase the market share within relevant markets by two to three times. With the scalable business model and further efficiency improvements, the Group targets an operating margin in the range of 13-16 percent.

DIVIDEND POLICY

When proposing a dividend for a financial year, the Board of Directors will seek a stable to growing dividend, and consider Smartoptics' financial position, one-off items, growth trajectory, investment plans, flexibility, financial targets and covenants.

FINANCIAL REVIEW CONTINUED

Q1 2026

DIVIDEND PROPOSAL

The Board of Directors has proposed a dividend of NOK 0.60 per share for the upcoming Annual General Meeting. The final decision will be made by the Annual General Meeting.

FINANCIAL STATEMENTS

CONSOLIDATED PROFIT AND LOSS STATEMENT

Consolidated statement of profit or loss		2026 Q1	2025 Q1
Amounts in USD 1.000	Notes	Jan - Mar	Jan - Mar
Revenue from contracts with customers	1,2	22 913	14 355
Other operating income		-	0
Total revenue and other operating income	1,2	22 913	14 355
Direct cost of sales		11 879	7 569
Employee benefit expenses		6 675	4 516
Other operating expenses		1 682	1 062
Total operating expenses		20 237	13 148
Depreciation	7	663	500
Amortization of intangible assets	7	203	117
Total depreciation and amortization	7	866	617
Operating profit/(loss)		1 810	591
Financial income	4	-11	82
Financial expenses	4	-13	-45
Net foreign exchange gains (losses)	4	-1 297	-504
Net financial items	4	-1 321	-467
Profit/(loss) before income tax		489	124
Income tax		-254	-59
Profit/(loss) for the period		234	64

Earnings per share in USD		
Basic earnings per share		0.002
Diluted earnings per share		0.002
Weighted average number of shares		
Basic	98 045 518	98 045 518
Diluted	98 045 518	98 045 518

Consolidated statement of comprehensive income		
Profit/(loss) for the period		234
Other comprehensive income:		
<i>Items that might be subsequently reclassified to profit or loss:</i>		
Exchange differences on translation of foreign operations		90
<i>Items that are not reclassified to profit or loss:</i>		
Exchange differences on translation to another presentation currency		1 057
Total comprehensive income for the period		1 382
Total comprehensive income is attributable to:		
Owners of the parent company		1 382

CONSOLIDATED STATEMENT FINANCIAL POSITION

Consolidated statement of financial position		31.03.2026	31.12.2025	31.03.2025
Amounts in USD 1.000	Notes			
Assets				
Non-current assets				
Intangible assets	3,7	2 996	2 852	2 440
Property, plant and equipment	6,7	3 724	3 720	3 501
Right-of-use assets		431	621	1 164
Deferred tax assets		1 960	1 883	1 505
Total non-current assets		9 110	9 076	8 610
Current assets				
Inventories		18 397	18 668	14 881
Trade receivable		19 071	18 718	18 373
Other current assets		1 795	2 315	1 195
Cash and cash equivalents		8 398	7 337	9 889
Total current assets		47 661	47 039	44 339
Total assets		56 771	56 114	52 949
Equity and liabilities				
Equity				
Share capital		201	195	186
Share premium		15 275	14 779	14 116
Other paid in capital		-	-	-
Foreign currency translation reserves		-66	-156	253
Retained earnings		16 236	15 134	16 104
Total equity		31 646	30 264	30 659
Non-current liabilities				
Lease liabilities (non-current portion)		201	251	392
Contract liabilities (non-current portion)	2	6 668	5 614	4 562
Borrowings (non-current portion)		-	-	161
Total non-current liabilities		6 869	5 865	5 115
Current liabilities				
Lease liabilities (current portion)		258	411	837
Trade payable		5 708	5 630	6 864
Contract liabilities (current portion)	2	6 885	7 160	5 596
Tax payable		1 202	1 661	230
Public duties payable (VAT, Tax)		798	1 006	616
Other current liabilities		3 406	4 116	3 031
Total current liabilities		18 256	19 985	17 174
Total liabilities		25 125	25 850	22 289
Total equity and liabilities		56 771	56 114	52 949

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated statement of changes in equity						
	Share capital	Share premium	Other paid in capital	Translation difference reserves	Retained earnings	Total equity
Amounts in USD 1.000						
Balance at 1 January 2025	173	13 121	0	293	14 867	28 454
Profit/(loss) for the period					64	64
Exchange differences on translation of foreign operation				-40		-40
Exchange differences on translation to another presentation currency	13	995	0		1 173	2 181
Total comprehensive income/(loss) for the period	13	995	0	-40	1 237	2 205
Balance at 31 March 2025	186	14 116	0	253	16 099	30 654
Balance at 1 January 2026	195	14 779	0	-156	15 446	30 264
Profit/(loss) for the period					234	234
Exchange differences on translation of foreign operation				90		90
Exchange differences on translation to another presentation currency	7	496	0		555	1 057
Total comprehensive income/(loss) for the period	7	496	0	90	789	1 382
Balance at 31 March 2026	201	15 275	0	-66	16 236	31 646

*The currency translation differences arising from the translation to the presentation currency is not included as a translation differences reserves, but presented as part of the different categories of the equity. These translation differences cannot be recycled through profit and loss.



CONSOLIDATED CASH FLOW STATEMENT

Consolidated cash flow statement		2026 Q1	2025 Q1
Amounts in USD 1.000	Notes	Jan - Mar	Jan - Mar
Cash flows from operating activities			
Profit/(loss) before income tax		489	124
<i>Adjustments for:</i>			
Taxes paid		-818	-730
Depreciation and amortization	7	866	617
Net interest expense		24	-37
Change in inventory		272	-2 267
Change in trade receivable		-353	1 491
Change in contract liabilities (deferred revenue)		779	1 189
Change in trade payable		78	1 816
Change in other current assets and other liabilities	5	907	351
Interest received		-11	82
Net cash from operating activities		2 233	2 636
Cash flows from investing activities			
Payment for property, plant and equipment		-708	-519
Payment for development cost	7	-260	-256
Payment for other intangible assets			-234
Net cash from investing activities		-968	-1 009
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		-	-
Repayment of borrowing		-225	-133
Paid interest		-13	-45
Repayments of lease liabilities		-257	-214
Net cash from financing activities		-495	-391
Net increase/(decrease) in cash and cash equivalents		771	1 235
Cash and cash equivalents beginning of period		7 337	7 972
Effects of exchange rate changes on cash and cash equivalents		290	680
Cash and cash equivalents end of period		8 398	9 888

SHARE INFORMATION

TABLE OF THE 20 LARGEST SHAREHOLDERS AS 31ST OF MARCH 2026

#	Shareholders	Holding	Stake
1	Coretech AS	28 883 599	29.46 %
2	Kløvingen AS	14 750 429	15.04 %
3	K-Spar Industrier AS	6 500 000	6.63 %
4	DNB Asset Management	4 797 058	4.89 %
5	Handelsbanken Fonder	3 663 000	3.74 %
6	Janus Henderson Investors	3 583 666	3.66 %
7	Altitude Capital AS	2 700 000	2.75 %
8	Avanza Bank AB	2 618 777	2.67 %
9	Mirabaud Asset Management	2 182 115	2.23 %
10	Nordnet Bank AB	1 868 128	1.91 %
11	Toluma Norden AS	1 680 729	1.71 %
12	Schroders	1 449 999	1.48 %
13	Magnus Grenfeldt	1 257 489	1.28 %
14	Folketrygdefondet	1 138 912	1.16 %
15	Danske Invest	1 049 614	1.07 %
16	AS Straen	963 391	0.98 %
17	Varner AS	963 391	0.98 %
18	Aperture Invertors LLC	954 087	0.97 %
19	Anchora Capital	900 000	0.92 %
20	Rasmussengruppen AS	800 000	0.82 %
	Others	15 341 134	15.65 %
	Total number of shares	98 045 518	100.00 %

NOTES

GENERAL

These interim condensed consolidated financial statements for the period ended 31 March 2026, have been prepared in accordance with IAS 34 Interim Financial Reporting and are unaudited. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for 2025, prepared in accordance with International Financial Reporting Standards (IFRS). The same accounting principles and methods of calculation have been applied as in the financial statements for 2025 for the Group.

Smartoptics Group ASA' consolidated financial statements as at 31 December 2025 were approved at the Board of Directors' meeting on 9 April 2026. The Group's condensed consolidated financial statements as at 31 March 2026 were approved at the Board of Directors' meeting on 6 May 2026.

EXCHANGE RATES

The interim financial statements are consolidated in NOK and translated to the presentation currency USD. For the Profit and Loss statement the monthly average exchange rate published by Norges Bank is used. For the balance sheet, the monthly ending exchange rate is used.

NOTE 1 - REVENUE SPLIT

Revenue split by geography	Q1 2026	Q1 2025
Amounts in USD 1,000		
Americas	13 867	7 800
EMEA	7 819	5 336
APAC	1 228	1 220
Total	22 913	14 355

Revenue split by Business Area	Q1 2026	Q1 2025
Amounts in USD 1,000		
Solutions	14 225	8 248
Devices	5 338	3 634
Software & Services	3 350	2 473
Total	22 913	14 355

NOTE 2 - DEFERRED REVENUE

Service revenues are invoiced in advance and covers a contract period of typically 3 months to 6 years. The service revenue is recognized during the contract period. "Current Deferred Revenue" will be recognized within the next 12 months.

Deferred Revenue	31 Mar 2026	31 Mar 2025
Amounts in USD 1,000		
Contract Liabilities (Current)	6 885	5 596
Contract Liabilities (Non-current)	6 668	4 562
Total Contract Liabilities	13 554	10 158

NOTE 3 – RESEARCH AND DEVELOPMENT

Expenditures on development activities are capitalized if certain conditions are fulfilled. Capitalized development includes costs directly attributable to development of the intangible asset, such as personnel expenses and consultancy services. Otherwise, such expenses are expensed as and when incurred. The intangible assets are amortized over 5 years.

Smartoptics has been approved government grants for one development project during 2026. The grant is recognized in the Profit and Loss statement as a reduction of payroll cost or as a reduction of capitalized development cost depending on the underlying accounting treatment of the cost that the grant is intended to cover.

NOTE 4 – FINANCIAL ITEMS

Currency effects come from the cash position, which is made of NOK, SEK and USD, Trade Receivables and Trade Payable which is predominantly in USD.

NOTE 5 – OTHER WORKING CAPITAL CHANGES

Other working capital changes relates to pre-payments of certain components, inventory and pay-out of variable compensation related to Q4 2025.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT SPLIT

Property, plant and equipment	31 Mar 2026	31 Mar 2025	Change
Amounts in USD 1,000			
R&D equipment	2 158	1 869	289
Production equipment	372	226	145
Office & warehouse furniture and fixtures	536	560	-24
Demo pool equipment	659	846	-187
Total	3 724	3 501	223

NOTE 7 – DEPRECIATION AND AMORTIZATION SPLIT

Fixed assets are depreciated over a period of 3 to 5 years. There is no goodwill in the group.

Depreciation and amortization	Q1 2026	Q1 2025
Amounts in USD 1,000		
Property, plant and equipment	439	310
Product development	203	117
Right of use assets / leasing	224	190
Total	866	617

NOTE 8 – SIGNIFICANT EVENTS DURING THE PERIOD

Smartoptics has signed a new lease agreement for office space in Kista amounting to 68 MSEK during a term of seven (7) years. The agreement is conditional upon the landlord completing the premises according to the company's specifications. In accordance with IFRS 16, future lease obligations will be recognized on the balance sheet from the date the premises are made available to the company, which is expected to occur in 2026.



ALTERNATE PERFORMANCE MEASURES (APM'S)

GROSS PROFIT

Total revenue and other operating income deducted with direct cost of sales

Amounts in USD 1,000	2026 Q1	2025 Q1
Total revenue and other operating income	22 913	14 355
Direct cost of sales	- 11 879	- 7 569
Gross profit	11 033	6 786

GROSS MARGIN

Gross profit divided by total revenue and other operating income

Amounts in USD 1,000	2026 Q1	2025 Q1
Total revenue and other operating income	22 913	14 355
Gross profit	11 033	6 786
Gross margin	48.2 %	47.3 %

EBITDA

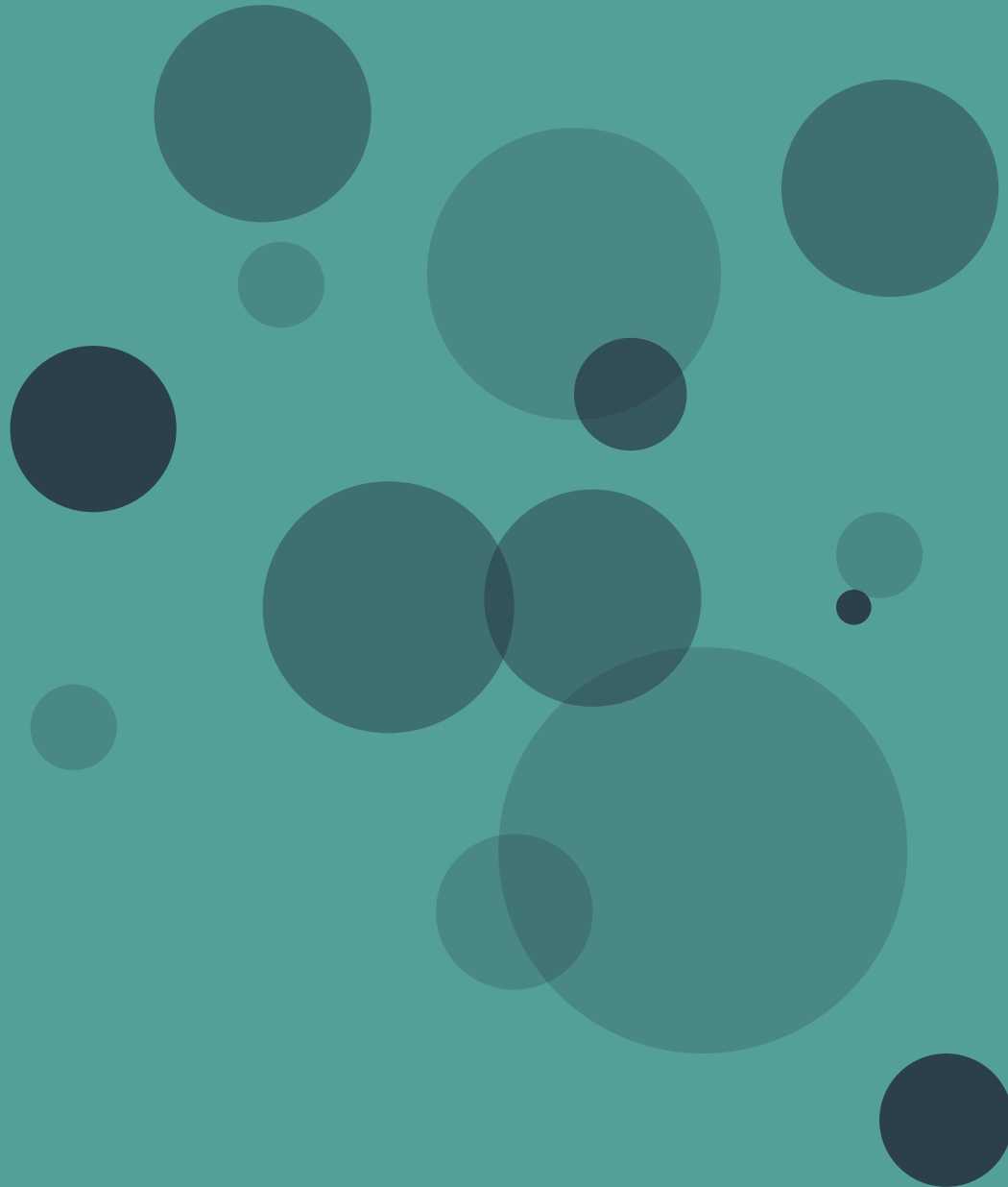
Operating profit/(loss) adjusted for total depreciation and amortization

Amounts in USD 1,000	2026 Q1	2025 Q1
Operating profit/(loss)	1 810	591
Total depreciation and amortization	866	617
EBITDA	2 676	1 208

EBITDA MARGIN

EBITDA divided by total revenue and other operating income

Amounts in USD 1,000	2026 Q1	2025 Q1
EBITDA	2 676	1 208
Total revenue and other operating income	22 913	14 355
EBITDA margin	11.7 %	8.4 %



smartoptics

Smartoptics Group ASA
Brynsalléen 2
NO-0667 Oslo, Norway

www.smartoptics.com

smartoptics